

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**MARKETING OF INCONTINENCE
SUPPLIES**



JUNE GIBBS BROWN
Inspector General

DECEMBER 1994
OEI-03-94-00770

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EXECUTIVE SUMMARY

PURPOSE

This report describes supplier and nursing home practices that can lead to inappropriate payments for incontinence supplies, and examines issues concerning Medicare beneficiaries' use of incontinence supplies.

BACKGROUND

Medicare Part B expenditures for incontinence supplies have more than doubled from 1990 to 1993. In 1993, these expenditures totaled \$230 million, up from \$88 million in 1990.

Incontinence is the inability of the body to control urinary and bowel functions. Under the Medicare Part B program, the Health Care Financing Administration (HCFA) will reimburse suppliers that provide incontinence supplies to aid individuals whose incontinence condition "...is of long and indefinite duration." Such reimbursement is provided as part of Medicare's coverage for prosthetic devices such as catheters and external urinary collection devices. The HCFA will also reimburse for accessories such as irrigation syringes and sterile saline solutions that aid in the effective and therapeutic use of these devices. Claims for incontinence supplies are now processed by four Durable Medical Equipment Regional Carriers (DMERCs).

We collected data from both nursing homes and Medicare beneficiaries for this report. We selected a random sample of 180 nursing homes from HCFA's Online Survey Certification and Reporting system and a stratified sample of 400 beneficiaries who received Medicare-reimbursed incontinence supplies in 1993.

FINDINGS

Information from nursing homes indicates that suppliers engage in questionable marketing practices.

Twenty-four percent of nursing homes reported that supplier representatives decide the number of supplies to be delivered in a given month to beneficiaries. In addition, nursing homes reported other questionable practices by suppliers, such as routine waiving of beneficiary coinsurance payments and offers of inducements in exchange for allowing suppliers to provide incontinence supplies to patients.

Beneficiaries may be receiving unnecessary or non-covered supplies.

Beneficiary responses indicate that their incontinence problems did not always meet Medicare coverage guidelines. Beneficiaries also report that they do not utilize all of the incontinence supplies that are reimbursed by Medicare. Of the beneficiaries who

received these supplies, almost 30 percent said they did not use all the supplies paid for by Medicare.

Nursing homes report that some suppliers present them with false or misleading information.

Twenty-two percent of nursing homes received false information from suppliers stating that Medicare is introducing "new broader coverage" for incontinence supplies. One out of ten nursing homes has been incorrectly told by a supplier that Medicare will cover other routine incontinence supplies such as absorbent undergarments if syringes, sterile solutions, and lubricants are purchased.

Many nursing homes do not track Medicare-reimbursed supplies to the specific beneficiary for which they were billed.

More than two-thirds of nursing homes (68 percent) store supplies in a general store room without patient labels or identification. In addition, almost one-third of nursing homes (32 percent) using Medicare-reimbursed incontinence supplies stored excess supplies and then used them as needed for all patients. Medicare and individual beneficiaries may be paying month after month for unnecessary supplies which may be used for other patients.

NEXT STEPS

Incontinence Supplies

In response to the information presented in this report and a companion report, the Office of Inspector General plans to:

- o initiate an audit review to examine in more detail payments made for incontinence supplies in order to determine if any overpayments are involved in this area; and
- o launch a national investigation in this area, examining potentially fraudulent practices by specific suppliers of incontinence supplies.

We also support ongoing activity in HCFA and the DMERCs to develop more specific coverage guidelines and educate providers and suppliers about proper billing for such supplies. We hope the information contained in this report is helpful as they complete this activity.

OIG Studies of Other Nursing Home Services

The OIG will continue studies and audits related to its major initiative examining services and supplies provided to Medicare beneficiaries residing in nursing facilities. As this report and other OIG work has reflected, the fragmentation of billing for

services and supplies provided to residents of nursing homes has created a host of improper incentives for billers to the Medicare program.

Bundling of Services

We continue to support HCFA's efforts to pursue a systematic solution to these kinds of problems through a requirement for "bundling" of services in nursing home settings. Under such an approach, the nursing home would be responsible for providing commonly needed services to residents of that facility, rather than allowing for separate billing by suppliers. Such a solution would eliminate the incentives suppliers now have to aggressively seek out patients in nursing homes and market their products inappropriately in those settings. It would also ensure that nursing homes take on appropriate responsibilities for services and supplies delivered to residents in their facilities.

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INTRODUCTION

PURPOSE

This report describes supplier and nursing home practices that can lead to inappropriate payments for incontinence supplies, and examines issues concerning Medicare beneficiaries' use of incontinence supplies.

BACKGROUND

Medicare Part B expenditures for incontinence supplies have more than doubled from 1990 to 1993. In 1993, these expenditures totaled \$230 million, up from \$88 million in 1990.

Medicare Coverage of Incontinence Supplies

Incontinence is the inability of the body to control urinary and bowel functions. Reimbursement for incontinence supplies are included as part of Medicare's coverage for prosthetic devices. According to Medicare Carriers Manual (MCM) section 2130, "prosthetic devices (other than dental) which replace all or part of an internal body organ (including contiguous tissue), or replace all or part of the function of a permanently inoperative or malfunctioning internal body organ are covered when furnished on a physician's order."

Under Medicare Part B, the Health Care Financing Administration (HCFA) will reimburse suppliers that provide incontinence supplies to aid individuals whose incontinence condition "...is of long and indefinite duration." Certain items, such as absorbent undergarments or diapers, are specifically excluded from coverage.

Incontinence supplies include prosthetic devices such as catheters and external urinary collection devices such as pouches or cups. Catheters are flexible, tubular instruments used to control urinary flow. The HCFA will also reimburse for supplies that aid in the effective and therapeutic use of these devices. These supplies include items such as drainage bags, irrigation syringes, sterile saline solutions, and lubricants.

Carrier Processing of Incontinence Supply Claims

In June 1992, HCFA issued a final rule that designated four Durable Medical Equipment Regional Carriers (DMERCs) to process all durable medical equipment, prosthetic, orthotic, and supply claims. Effective October 1, 1993, the DMERCs replaced more than 50 area carriers which had previously processed DME claims. The geographical areas formerly serviced by the carriers were phased in under the DMERCs on a staggered basis. The DMERCs are responsible for assuring that claims submitted by suppliers meet all applicable coverage and medical necessity requirements prior to Medicare reimbursement. Each DMERC issued its own

coverage and reimbursement policies that implement Medicare guidelines. These guidelines included appropriate monthly utilization standards for certain supplies like catheters.

To achieve uniformity in incontinence coverage, the DMERCs issued a draft of a single, national policy concerning urological supplies in October 1994. The draft policy redefines and clarifies some of the standards used in processing claims for incontinence and urological supplies. The policy defines what products meet the definition of female and male urinary collection devices. It emphasizes the non-coverage of diapers and similar absorptive pads. The policy also reinforces the condition of "permanence" for coverage purposes and stresses that incontinence supplies not used in conjunction with covered catheters or external urinary collection devices are not covered.

Medicare Fraud Alert

In June 1994, a DMERC issued a Medicare Fraud Alert describing a supplier scheme involving the marketing of incontinence kits to nursing homes. In this case, the supplier advised nursing home officials that Medicare was paying for the kits under a pilot program. According to the alert, supplier representatives exchange kits containing diapers along with supplies, such as syringes, saline, and lubricants, to the nursing homes in exchange for beneficiary names and health insurance numbers. The marketing representatives then order bulk quantities of supplies billed in the beneficiary's name.

The alert also indicated that the supplier's marketing program stated that the treatment with this kit should be three times per day for each patient in the facility. This resulted in Medicare being billed \$1,800 per month per beneficiary in one carrier jurisdiction.

METHODOLOGY

For the purposes of this report, we collected data from both nursing homes and Medicare beneficiaries.

Nursing Home Sample

To determine how suppliers market incontinence supplies and how nursing homes handle the provision of incontinence supplies, we selected a random sample of 180 skilled nursing facilities and nursing homes from HCFA's Online Survey Certification and Reporting (OSCAR) system. The system contains every nursing home that is certified to receive Medicare or Medicaid funds.

At the time our sample was generated in September 1994, the system contained data on 16,642 nursing homes. We decided to sample nursing homes that had a total size

of 60 beds or more. This gave us a universe of 12,879 nursing homes from which we sampled for the 180 nursing homes.

After removing four facilities which were under investigation by the Office of Investigations from the sample, we sent identical questionnaires to the administrators of the remaining 176 nursing homes. Surveys were returned by 140 nursing homes giving us a response rate of 80 percent.

We chose to project responses only to the responding universe and not to the total universe of 12,879 nursing homes. Responses from the 140 nursing homes were projected only to the responding universe which would be 80 percent (rounded from 79.54545) of the 12,879, or 10,245 nursing homes.

In order to accurately project responses to the total universe, we would have had to perform an analysis of non-respondents to evaluate the characteristics of nursing homes who chose not to respond. Because we knew very little about the non-responding nursing homes, we decided to use the more conservative responding universe. The survey instrument, nursing home responses, and an accompanying explanation of the survey results appear in Appendix A.

Beneficiary Sample

To collect information from Medicare beneficiaries who use incontinence supplies, we sampled beneficiaries who received Medicare-reimbursed incontinence supplies in 1993. We selected a stratified random sample drawn from the National Claims History 1 percent sample file. This file includes allowed claims paid by Medicare in 1993. As selection criteria, we used 43 billing codes which represent the types of supplies most commonly used by incontinent beneficiaries.

We found that 4,507 individuals met our selection criteria. This number decreased to 3,079 after we removed deceased individuals identified through information in HCFA's Enrollment Database.

We stratified our sample into the following two groups: individuals with \$1,000 or more allowed dollars for incontinence supplies and individuals with under \$1,000 allowed dollars for incontinence supplies during 1993. We sampled 400 beneficiaries; the number of beneficiaries from each stratum is presented in the table below.

Strata	Universe	Sample
Over \$1,000	476	200
Under \$1,000	2,603	200
Total	3,079	400

After selecting the sample and mailing questionnaires to beneficiaries, we decided to remove from the sample any beneficiary whose claims might be associated with ostomy services. This resulted in removing 81 beneficiary responses from the 302 received. After excluding this group, there were 221 respondents used for the analysis. The responses from these beneficiaries were projected to 141,932 beneficiaries nationwide. As was the case in the nursing home sample, we chose to project the beneficiary responses to the responding universe and not the total universe of beneficiaries receiving Medicare-reimbursed supplies. We selected the more conservative approach, since we did not do an analysis of non-responses and therefore could not determine if there would be bias among that group. A sample of the survey instrument, confidence intervals, and beneficiary responses appear in Appendix B.

This report is one of a series of reports concerning Federal payments for incontinence supplies. *Questionable Medicare Payments for Incontinence Supplies* (OEI-03-94-00772) details trends and expenditures for incontinence payments. The third report, *Medicaid Payments For Incontinence Supplies* (OEI-03-94-00771), will examine how the Medicaid program processes claims for incontinence supplies in 14 States.

This inspection was conducted in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

FINDINGS

INFORMATION FROM NURSING HOMES INDICATES THAT SUPPLIERS ENGAGE IN QUESTIONABLE MARKETING PRACTICES.

In some nursing homes, suppliers rather than physicians or nurses may be deciding what amount and type of supplies are ordered for patients. Twenty-four percent of nursing homes (2459 of 10,245) reported that supplier representatives decide the number of supplies to be delivered in a given month to beneficiaries. Several nursing homes commented that suppliers make these decisions based on Medicare regulations. However, only half of the nursing homes with patients receiving Medicare reimbursed incontinence supplies knew that Medicare limits the amount of certain incontinence supplies allowable per month.

Almost one-quarter (24 percent) of nursing homes reported that supplier representatives have helped determine which patients are eligible for Medicare reimbursement of incontinence supplies. According to 14 percent of nursing homes, supplier representatives have also attempted to help facilities determine which patients need incontinence supplies.

Suppliers in 20 percent of the nursing homes have provided the necessary prescription forms to be filled out by the patient's physician. In some nursing homes (7 percent) with Medicare-reimbursed supplies, suppliers went a step further and filled out the prescription forms and presented it to the nursing home for the physician's signature. Appendix A describes how data was analyzed for the nursing homes using Medicare reimbursed supplies.

One out of five nursing homes have had supplier representatives request to review patient medical records. The nursing homes reported that the main reason that supplier representatives review medical records is to collect documentation concerning the physician's order, diagnosis, and necessity of the incontinence supplies. Others indicated it was to record usage numbers for billing purposes. However, several nursing homes said that suppliers do not review the patients medical record but will ask nursing home staff to check medical records and provide them with information. Another nursing home said they allow the supplier to review patient records but only if a staff member is present.

Some suppliers routinely waive the 20 percent coinsurance payment that Medicare beneficiaries are required to pay.

Routine waiver of Medicare 20 percent copayments by suppliers is unlawful. Medicare requires beneficiaries (unless there is financial hardship) to pay a 20 percent portion of the cost of incontinence supplies. Twelve percent of nursing homes reported that suppliers routinely waive the 20 percent copayment required of Medicare beneficiaries. One of every four Medicare beneficiaries (26 percent)

sampled stated that they did not pay coinsurance for their incontinence supplies nor did they have any other insurance which would have paid the coinsurance amount.

While 12 percent of nursing homes said they were aware of suppliers waiving copayment fees, another 21 percent did not answer the question. One reason for this may be the fact that nursing homes are not always aware of what suppliers are billing to Medicare or the amounts that Medicare is reimbursing for the supplies. Of the nursing homes that have patients using incontinence supplies paid for by Medicare, more than three-quarters utilize external suppliers that directly bill Medicare .

One nursing home indicated that it was not aware of the amount of money their supplier was billing to Medicare for incontinence kits until residents began to receive notices of Medicare billings in excess of \$900 to \$1200 dollars a month and bills for large monthly copayment amounts. Upon becoming aware of the supplier's billing practices, the nursing home refused to accept kits from this company. Another nursing home related this experience:

We were approached by a supplier who stated Medicare paid for incontinence care. After 15 years of us paying, we decided to try this. We were appalled when families called us about the bills. We stopped the service immediately. We have not seen this supplier again.

Some nursing homes have been offered inducements by suppliers.

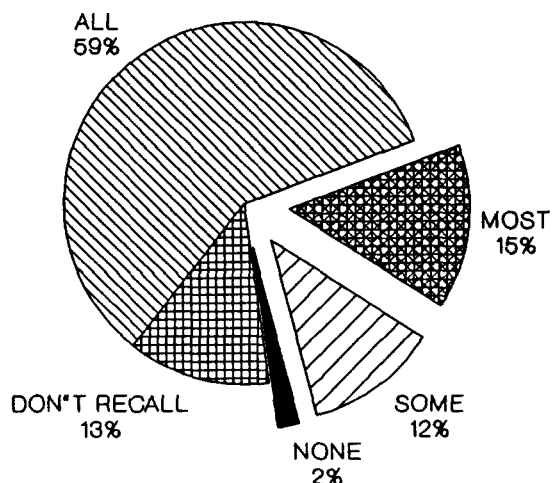
Eleven percent of the nursing homes (1127) reported that suppliers had offered them inducements, such as free supplies, in exchange for allowing them to provide incontinence supplies to their patients. Nursing homes have been provided free supplies such as catheter care kits, incontinent pads, and disposable undergarments. One nursing home reported that they received free gloves if they ordered incontinence supplies and free disposable diapers with the purchase of incontinent kits.

BENEFICIARIES MAY BE RECEIVING UNNECESSARY OR NON-COVERED SUPPLIES.

Beneficiary responses indicate that their incontinence problems did not always meet the coverage guidelines developed by HCFA. Medicare guidelines require beneficiaries to have a diagnosis of permanent urinary incontinence in order to receive incontinence supplies. However, 15 percent of the beneficiaries with incontinence conditions related that they experienced problems only sometimes or rarely.

Beneficiaries also report that they do not utilize all of the incontinence supplies that are reimbursed by Medicare. Of the beneficiaries who received these supplies, almost 30 percent said they did not use all the supplies paid for by Medicare. As illustrated in the chart on the next page, while 15 percent said they used most the of the supplies another 14 percent stated they used some or none of the supplies.

Portion of Incontinence Supplies Used by Beneficiaries



**Percentages have been rounded to the nearest whole number

NURSING HOMES REPORT THAT SOME SUPPLIERS PRESENT THEM WITH FALSE OR MISLEADING INFORMATION.

Nursing homes reported incidents where suppliers furnished false or misleading statements about Medicare coverage policies. This may lead to non-covered or unnecessary services being billed to Medicare and possibly to beneficiaries.

Twenty-two percent of nursing homes received false information from suppliers stating that Medicare is introducing "new broader coverage" for incontinence supplies. Another six percent of nursing homes have been told by suppliers that Medicare requires the use of syringes, sterile saline solutions, and lubricant/skin barriers on incontinent patients. As one supplier put it, "we've seen this when suppliers are trying to sell products that don't meet the Medicare criteria."

Medicare does not cover supplies such as disposable incontinent briefs or absorbent undergarments or pads. There are indications, however, that suppliers may be marketing these products as female external urinary collection devices. Figure 1, on the following page, is an illustration of an actual pouch type female urinary collection device. The device is a plastic pouch which is attached to the body with adhesives and has a drainage port at the other end. This device would meet Medicare guidelines for coverage. Figure 2 is an illustration of what one supplier is calling a pouch-type female urinary collection device in information provided to nursing homes. This

MANY NURSING HOMES DO NOT TRACK MEDICARE-REIMBURSED SUPPLIES TO THE SPECIFIC BENEFICIARY FOR WHICH THEY WERE BILLED.

In many nursing homes there appears to be no tracking system to ensure that all of the incontinence supplies billed to Medicare for a specific patient are used for that patient. Almost two-thirds of nursing homes (62 percent) using Medicare-reimbursed incontinence supplies report that when supplies are delivered by suppliers they are not marked or identified as being intended solely for a particular patient. Then after receiving the supplies, more than two-thirds of nursing homes (68 percent) store them in a general store room without patient labels or identification.

Since the majority of nursing homes did not indicate the existence of any specific tracking mechanism for Medicare-reimbursed supplies, Medicare and individual beneficiaries may be paying month after month for unnecessary supplies which may be used for other patients. In fact, almost one-third of nursing homes (32 percent) using Medicare-reimbursed incontinence supplies stored unused excess supplies and then used them as needed for all patients.

Several nursing homes did report that supplies are tracked for usage by specific beneficiaries and subsequently billed to Medicare only when used. Some of these nursing homes explained that when the supply is removed from the supply room for usage it is logged on to a patient usage sheet. Other nursing homes described that Medicare-reimbursed supplies were kept in supply rooms that contained only Medicare Part B supplies.

NEXT STEPS

Incontinence Supplies

In response to the information presented in this report and a companion report, the Office of Inspector General plans to:

- o initiate an audit review to examine in more detail payments made for incontinence supplies in order to determine if any overpayments are involved in this area; and
- o launch a national investigation in this area, examining potentially fraudulent practices by specific suppliers of incontinence supplies.

We also support ongoing activity in HCFA and the DMERCs to develop more specific coverage guidelines and educate providers and suppliers about proper billing for such supplies. We hope the information contained in this report is helpful as they complete this activity.

OIG Studies of Other Nursing Home Services

The OIG will continue studies and audits related to its major initiative examining services and supplies provided to Medicare beneficiaries residing in nursing facilities. As this report and other OIG work has reflected, the fragmentation of billing for services and supplies provided to residents of nursing homes has created a host of improper incentives for billers to the Medicare program.

Bundling of Services

We continue to support HCFA's efforts to pursue a systematic solution to these kinds of problems through a requirement for "bundling" of services in nursing home settings. Under such an approach, the nursing home would be responsible for providing commonly needed services to residents of that facility, rather than allowing for separate billing by suppliers. Such a solution would eliminate the incentives suppliers now have to aggressively seek out patients in nursing homes and market their products inappropriately in those settings. It would also ensure that nursing homes take on appropriate responsibilities for services and supplies delivered to residents in their facilities.

APPENDIX A

NURSING FACILITY SURVEY INSTRUMENT AND RESPONSE RATES

Each nursing home in our sample was asked to complete a 39 question survey. The questions for the survey were developed by reviewing information on incontinence supplies produced by HCFA, the Durable Medical Equipment Regional Carriers, and the Office of Investigations within the OIG.

For most questions, we report the percentage of nursing home responses to the question and the projected number of responses. The percentages have been rounded to the nearest whole number and therefore will not always add up to exactly 100 percent. The projected numbers have been rounded and will therefore not always add up to exactly 10,245 nursing homes. In addition, for several questions respondents selected more than one answer. These questions are identified by an asterisk in the sample survey instrument that follows.

We also report the semi-width for each of the response percentages at the 95 percent confidence level. The semi-width is the standard error of the projection multiplies by 1.96. The semi-width added or subtracted to the percentage provides a 95 percent confidence interval. The range of the 95 percent confidence interval is presented in the table following each question.

In the several questions where respondents were asked to provide numerical data (e.g. number of beds or percentage of patients receiving incontinence supplies), an average number or percentage is provided. For questions where we requested textual responses, a percentage of respondents who provided written responses is given. In addition, when written responses were furnished, these questions were analyzed for content and used in the report. However, due to the length of the responses, they are not presented in this Appendix.

There are instances in the report where information from a subset of nursing homes which used Medicare-reimbursed incontinence supplies for patients is presented. These data were developed by evaluating responses from just the 75 percent of nursing homes (7,584 projected number of facilities) who answered "yes" to question six of the survey- "are any of the incontinence supplies used for patients in your nursing facility billed to Medicare Part B."

INCONTINENCE SUPPLIES: NURSING FACILITY SURVEY

This survey is being conducted by the Office of Evaluation and Inspections within the U.S. Department of Health and Human Services' Office of Inspector General. We are currently reviewing Medicare's payments for incontinence supplies. We are also interested in learning about equipment suppliers' marketing practices for incontinence supplies.

Our review is focusing on Medicare Part B payment of incontinence supplies. Please keep this in mind when completing this survey. We are not at this time interested in incontinence supplies that are included in Medicare Part A cost reports.

All information provided will be kept confidential. All data will be reported out in the aggregate and the names of nursing facilities will never be identified to the public. If you have any questions about this survey, please call Robert Katz or Linda Ragone at 1-800-531-9562.

Please return this survey by September 15, 1994 in the enclosed self-addressed, pre-paid envelope or if you prefer you can fax it to us at (215) 596-6987. We appreciate your cooperation and assistance.

Please print the following information (please list as the respondent the person who answers the survey questions):

RESPONDENT: _____

JOB TITLE: _____

NURSING FACILITY: _____

ADDRESS: _____

TELEPHONE: _____

General Information

1. How does Medicare categorize your facility?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Skilled Nursing Facility	38	±8.0	3893
Nursing Facility	19	±6.5	1947
Both Skilled Nursing and Nursing Facility	39	±8.1	3996
Other (please specify)	1	±1.6	102
No Response	3	±2.8	307

2. How many beds does your nursing facility contain?

Response	Average	95 % Confidence Interval
Number of Skilled Nursing Beds	63.2	±10.9
Number of Nursing Beds	62.3	±9.6

3. How many patients are currently residing in your facility?

Response	Average	95 % Confidence Interval
Number of Patients	108.9	±8.6

4. What percentage of your population is eligible for Medicare Part B Coverage?

Response	Average	95 % Confidence Interval
Percent Eligible for Medicare Part B Coverage	83.3	±3.2

5. What percentage of your current patient population receive incontinence supplies (e.g. indwelling catheters, external urinary and fecal collection devices, irrigation syringes, sterile irrigation solutions, skin barriers, lubricants)?

Response	Average	95 % Confidence Interval
Percent of Patients Receiving Incontinence Supplies	25.4	±5.2

6. Are any of the incontinence supplies used for patients in your nursing facility billed to Medicare Part B?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	75	±7.2	7584
No	22	±6.9	2254
No Response	3	±2.8	307

7. Does your nursing facility act as the sole supplier for incontinence supplies by billing Medicare Part B or do you have at least one external supplier of incontinence supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Nursing Facility is sole supplier	19	±6.5	1947
At least one external supplier	69	±7.7	7069
Other (please specify)	6	±3.9	615
No Response	5	±3.6	512

Use of Incontinence Supplies

8. Who decides that a patient has a need for incontinence supplies?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Family Physician	69	±7.7	7069
Medical Director of Nursing Facility	9	±4.7	922
Supplier Representative	0	±0.0	0
Nurse/Nursing Facility Attendant	54	±8.3	5532
Inventory Supervisor	1	±1.6	102
Other (please specify)	14	±5.7	1434
No Response	1	±1.6	102

* more than one answer was selected by some respondents

9. What medical conditions need to be present in order for you to order incontinence supplies for Medicare beneficiaries?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Physical dysfunction of urinary or intestinal tracts	77	±7.0	7889
Permanent Urinary Incontinence	49	±8.3	5020
Need for indwelling catheter	54	±8.3	5532
Alzheimer's/Dementia	16	±6.1	1639
Other (please specify)	16	±6.1	1639
No Response	4	±3.2	410

* more than one answer was selected by some respondents

10. Who decides what specific supplies will be ordered for the patient?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Family Physician	54	±8.3	5532
Medical Director of Nursing Facility	9	±4.7	922
Supplier Representative	4	±3.2	410
Manufacturer of Supplies	1	±1.6	102
Nurse/Nursing Facility Attendant	59	±8.1	6045
Inventory Supervisor	11	±5.2	1127
Other (please specify)	14	±5.7	1434
No Response	2	±2.3	205

* more than one answer was selected by some respondents

11. How are the incontinence supplies initially ordered?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Nursing facility contacts supplier	81	±6.5	8298
Supplier is told of need when supplier representative or delivery person visits	15	±5.9	1537
Supplier suggests incontinence supplies would be appropriate for certain patients	3	±2.8	307
Other (please specify)	12	±5.4	1229
No Response	2	±2.3	205

* more than one answer was selected by some respondents

Supplier Marketing Practices

12. How did your facility become aware of the suppliers you use?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Through supplier advertisements	10	±5.0	1025
Through supplier direct mail marketing	6	±3.9	615
Through supplier representative/salesperson visit	61	±8.1	6249
Other (please specify)	32	±7.7	3278
No Response	5	±3.6	512

* more than one answer was selected by some respondents

13. How many different suppliers provide you with incontinence supplies for your patients?

Response	Average	95 % Confidence Interval
Number of Suppliers	1.4	±0.1

14. Please list the names, addresses, and phone numbers of the suppliers who provide your facility with the majority of incontinence supplies for your patients?

Response	Percentage
Provided Information	91
Did Not Provide Information	9

15. Have supplier representatives ever tried to market their products directly to patients?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	1	±1.6	102
No	96	±3.2	9835
No Response	3	±2.8	307

16. Have supplier representatives ever attempted to help you determine which patients in your facility need incontinence supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	14	±5.7	1434
No	83	±6.2	8503
No Response	3	±2.8	307

17. Have supplier representatives ever helped you determine which patients in your facility qualify for Medicare reimbursement of incontinence supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	24	±7.1	2459
No	73	±7.4	7479
No Response	3	±2.8	307

18. Have you ever been offered inducements by suppliers such as free products to allow them to provide incontinence supplies to your patients?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	11	±5.2	1127
No	85	±5.9	8708
No Response	4	±3.2	410

If yes, please describe the nature of such inducements.

Response	Percentage
Provided Information	13
Did Not Provide Information	87

19. Has a supplier ever provided you with the necessary prescription forms to be filled out by your facility's physician or the patient's family physician?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	20	±6.6	2049
No	78	±6.9	7991
No Response	2	±2.3	205

20. Has a supplier ever filled out the prescription form and presented it to you for the physician's signature?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	6	±3.9	615
No	89 ¹	±5.2	9118
No Response	5	±3.6	512

21. Does the supplier representative decide the number of supplies to be delivered in a given month?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	24	±7.1	2459
No	72	±7.4	7376
No Response	4	±3.2	410

22. Have you ever received information from a supplier stating that Medicare is introducing new broader coverage for incontinence supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	22	±6.9	2254
No	76	±7.1	7786
No Response	2	±2.3	205

23. Have you ever been told by a supplier that Medicare requires the use of syringes, sterile solution, and lubricant/skin barriers on incontinent patients?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	6	±3.9	615
No	91	±4.5	9323
No Response	3	±2.8	307

24. Have you ever been told by a supplier that Medicare will cover other routine incontinence supplies such as absorbent undergarments or pouches if syringes, sterile solutions, and lubricants are purchased?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	10	±5.0	1025
No	87	±5.6	8913
No Response	3	±2.8	307

25. Do your suppliers routinely waive the 20 percent copayment required of Medicare beneficiaries?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	12	±5.4	1229
No	66	±7.8	6762
No Response	21	±6.7	2151

26. Have supplier representatives ever requested to review patient medical records?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	21	±6.7	2151
No	74	±7.3	7581
No Response	4	±3.2	410

If yes, for what reason?

Response	Percentage
Provided Information	24
Did Not Provide Information	76

27. Are incontinence supplies marketed to you in kits or as bulk supplies?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Incontinence Kits	14	±5.7	1434
Bulk Supplies	56	±8.2	5737
Both Kits and Bulk Supplies	16	±6.1	1639
Other (please specify)	10	±5.0	1025
No Response	7	±4.2	717

* more than one answer was selected by some respondents

28. Are incontinence supplies shipped to you in kit or bulk form?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Incontinence Kits	10	±5.0	1025
Bulk Supplies	61	±8.1	6249
Both Kits and Bulk Supplies	16	±6.1	1639
Other (please specify)	8	±4.5	820
No Response	8	±4.5	820

* more than one answer was selected by some respondents

29. When delivered by the supplier, are incontinence kits or supplies marked or identified as being intended solely for a particular patient?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	28	±7.4	2869
No	63	±8.0	6454
No Response	9	±4.7	922

30. If suppliers market or ship incontinence kits to your facility, what supplies are typically contained in a kit that is not used for the insertion of a catheter?

Response	Percentage
Provided Information	27
Did Not Provide Information	73

31. If suppliers market or ship incontinence kits to your facility, do you typically use all of the supplies within those kits?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	39	±8.1	3996
No	14	±5.7	1434
No Response	48	±8.3	4918

If no, what supplies are typically not used?

Response	Percentage
Provided Information	8
Did Not Provide Information	92

32. Do suppliers provide you with all the necessary incontinence supplies for each patient once a month?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	50	±8.3	5123
No	36	±8.0	3688
No Response	14	±5.7	1434

If no, how are supplies provided by the supplier?

Response	Percentage
Provided Information	28
Did Not Provide Information	72

33. How are incontinence supplies stored in your nursing facility?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Stored by individual patient assignment in supply room	18	±6.4	1844
Stored in general supply room	74	±7.3	7581
Stored by the patient's bedside	8	±4.5	820
Other (please specify)	9	±4.7	922
No Response	6	±3.9	615

* more than one answer was selected by some respondents

34. What happens to unused or excess supplies?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Returned to supplier	26	±7.3	2664
Stored for future use by specific patient	23	±7.0	2356
Stored and used as needed for all patients	34	±7.8	3483
Other (please specify)	12	±5.4	1229
No Response	11	±5.2	1127

* more than one answer was selected by some respondents

35. Have you ever received supplies that were not ordered?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	10	±5.0	1025
No	86	±5.7	8811
No Response	4	±3.2	410

36. Have you ever received supplies where no specific beneficiary was identified?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	24	±7.1	2459
No	69	±7.7	7069
No Response	7	±4.2	717

37. Do you know if Medicare limits the maximum amount of incontinence supplies allowable for payment each month per patient?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	42	±8.2	4303
No	51	±8.3	5225
No Response	6	±3.9	615

If yes, please describe the limits.

Response	Percentage
Provided Information	36
Did Not Provide Information	64

38. Do you have written or oral agreements with your incontinence suppliers?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	37	± 8.0	3791
No	54	± 8.3	5532
No Response	9	± 4.7	922

If yes, please describe the nature of such agreements and enclose a copy of any written agreements.

Response	Percentage
Provided Information	31
Did Not Provide Information	69

39. Have you ever complained to Medicare or other authorities about the marketing or business practices of any suppliers?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	6	± 3.9	615
No	91	± 4.5	9323
No Response	4	± 3.2	410

If yes, what was the nature of these practices?

Response	Percentage
Provided Information	7
Did Not Provide Information	93

Thank you for completing this survey. If you have additional comments or would like to answer any of the questions more fully, please use the next page marked Additional Comments for this purpose. Please return the survey in the self-addressed, postage-paid envelope we included in our mailing to you or fax the survey and any additional information to us at (215) 596-6987.

APPENDIX B

BENEFICIARY SURVEY INSTRUMENT AND RESPONSE RATES

Medicare beneficiaries in our sample were asked to complete a short six question survey. The answers to these questions provided information on the severity of their incontinence conditions and the use of supplies for their condition.

For the questions, we report the percentage of beneficiary responses to the question and the projected number of responses. The percentages have been rounded to the nearest whole number and therefore will not always add up to exactly 100 percent. The projected numbers have been rounded and will therefore not always add up to exactly 141,932 beneficiaries.

We also report the semi-width for each of the response percentages at the 95 percent confidence level. The semi-width is the standard error of the projection multiplied by 1.96. The semi-width added or subtracted to the percentage provides a 95 percent confidence interval. The range of the 95 percent confidence interval is presented in the table following each question.

The sample survey instrument with results begins on the next page.

OUR RECORDS SHOW THAT BETWEEN ____ AND ____
 MEDICARE PAID ____ FOR SUPPLIES RELATED TO INCONTINENCE ON
 YOUR BEHALF.

FOR THE PURPOSES OF THIS SURVEY, INCONTINENCE SUPPLIES
 INCLUDE EQUIPMENT AND PRODUCTS INTENDED FOR PERSONS WHO
 HAVE PROBLEMS WITH BLADDER AND/OR BOWEL CONTROL.

PLEASE ANSWER THE FOLLOWING QUESTIONS.

1. DID YOU RECEIVE INCONTINENCE SUPPLIES DURING THE TIME PERIOD MENTIONED ABOVE? SUCH SUPPLIES COULD HAVE INCLUDED CATHETERS, GAUZE PADS, ABSORBENT UNDERGARMENTS (SIMILAR TO DIAPERS), LUBRICANTS, DRAINAGE AND COLLECTION DEVICES, OR STERILE LIQUIDS.

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	74	±7.3	104,969
No	11	±5.1	15,045
Do Not Recall	7	±4.3	10,189
No Response	8	±4.6	11,729

IF YOU ANSWERED YES TO QUESTION 1, WHAT PORTION OF THE SUPPLIES THAT YOU RECEIVED DID YOU ACTUALLY USE?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
All	59	±9.1	66,578
Most	15	±6.4	16,950
Some	12	±6.0	13,030
None	2	±2.3	2,254
Do Not Recall	13	±6.3	14,570

2. WERE YOU A RESIDENT OF A NURSING HOME DURING THE TIME PERIOD MENTIONED ABOVE?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	59	±8.3	82,955
No	36	±8.1	50,915
Do Not Recall	1	±1.8	1,540
No Response	5	±3.2	6,522

3. WERE YOU RECEIVING SERVICES FROM A HOME HEALTH AGENCY (SUCH AS A VISITING NURSE OR AIDE) DURING THE TIME PERIOD MENTIONED ABOVE?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	13	±6.0	19,061
No	78	±6.8	110,651
Do Not Recall	4	±2.6	5,221
No Response	5	±3.2	6,998

4. DID YOU PAY COINSURANCE (THE USUAL 20 PERCENT OF THE AMOUNT MEDICARE ALLOWS FOR SUPPLIES) FOR INCONTINENCE SUPPLIES RECEIVED DURING THE PERIOD MENTIONED ABOVE?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	22	±7.2	31,615
No	55	±8.3	77,496
Do Not Recall	15	±6.0	21,679
No Response	8	±4.3	11,141

IF YOU ANSWERED NO TO QUESTION 4, DID YOU HAVE ANY OTHER INSURANCE WHICH WOULD HAVE PAID THE COINSURANCE FOR YOU?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	40	±9.7	39,930
No	47	±9.8	46,691
Do Not Recall	13	±6.8	12,316

5. DURING THE TIME PERIOD MENTIONED ABOVE, DID YOU HAVE ANY PROBLEMS ASSOCIATED WITH BLADDER OR BOWEL CONTROL?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	76	±7.1	108,286
No	13	±6.0	19,061
Do Not Recall	4	±2.5	5,808
No Response	6	±3.6	8,776

IF YOU ANSWERED YES TO QUESTION 5, HOW OFTEN DID YOU EXPERIENCE SUCH PROBLEMS? (CHECK ONE BLOCK)

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Rarely	3	±3.3	3,317
Sometimes	12	±6.2	13,030
Frequently	23	±8.0	25,710
Always	62	±9.2	67,768

6. WHO FILLED OUT THIS SURVEY?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
I Filled It Out Myself	22	±7.0	30,790
Someone Filled It Out For Me	73	±7.4	103,950
No Response	5	±3.2	7,236

IF SOMEONE FILLED IT OUT FOR YOU WAS THAT PERSON A- (CHECK ONE BLOCK):

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Relative	67	±8.9	70,720
Friend	4	±3.4	3,793
Nursing Home Employee	21	±7.4	22,170
Home Health Nurse or Aide	3	±3.4	3,079
Other	6	±4.7	6,158

WHEN YOU COMPLETE THE SURVEY FORM- PLEASE RETURN IT TO US IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

IF YOU HAVE ANY QUESTIONS REGARDING THIS SURVEY,
PLEASE CALL RICHARD LYONS, PROJECT DIRECTOR, AT (410) 966-3143.

PLEASE USE THE SPACE BELOW IF YOU WISH TO ADD ANY ADDITIONAL COMMENTS

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**MARKETING OF INCONTINENCE
SUPPLIES**



JUNE GIBBS BROWN
Inspector General

DECEMBER 1994
OEI-03-94-00770

OFFICE OF INSPECTOR GENERAL

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services' (HHS) programs as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by three OIG operating components: the Office of Audit Services, the Office of Investigations, and the Office of Evaluation and Inspections. The OIG also informs the Secretary of HHS of program and management problems and recommends courses to correct them.

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The OIG's Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations in order to reduce waste, abuse, and mismanagement and to promote economy and efficiency throughout the Department.

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The OIG's Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil money penalties. The OI also oversees State Medicaid fraud control units which investigate and prosecute fraud and patient abuse in the Medicaid program.

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The OIG's Office of Evaluation and Inspections (OEI) conducts short-term management and program evaluations (called inspections) that focus on issues of concern to the Department, the Congress, and the public. The findings and recommendations contained in these inspection reports generate rapid, accurate, and up-to-date information on the efficiency, vulnerability, and effectiveness of departmental programs. This report was prepared in the Philadelphia Regional Office, under the direction of Joy Quill, Regional Inspector General and Robert A. Vito, Deputy Regional Inspector General. Project staff included:

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